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8 October 1962

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MEMORANDUM FOR: Deputy Director, Intelligence

SUBJECT: Consequences of a Reduction in Personnel Ceiling

The following information is provided in response to instructions received during the week of 29 September.

Background

1. Successive reductions in personnel ceilings for ORR over the past three years have required repeated review of the scope and significance of the activities conducted within the Office. Work that could be identified as of low priority or low in a scale of essentiality as support to priority research was discontinued or substantially reduced in favor of work responsive to more clearly recognized priority objectives. At the same time, we have restricted our abilities to maintain a wholly satisfactory basic research program. Fortunately, improved efficiency, throughout the Office both in management and research, has helped us to adjust to past ceiling reductions.

2. The full effect of previous ceiling reductions has not been felt in some components of the Office because of the inability to date to reduce to allocated strength and also because of the use of overtime in meeting heavy workloads of a priority nature.

3. Some of the cutbacks in ORR activity since the initiation of ceiling reductions in July 1956 are as follows:

a. Cessation of geographic intelligence maintenance on Latin American countries.

b. Substantial reduction in geographic intelligence production on countries in Europe, particularly in the escape and evasion field.

c. An 80 percent reduction in staff maintained for coordinating intelligence support to the economic defense structure.

d. Cessation of work on the production of conventional weapons and ammunition.

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e. Reduction in the scope of factory markings program by restricting the exploitation of available data.

f. Elimination of headquarters for the Coordination Area.

g. Elimination of the Support Staff of OCh/S.

A presentation of previous headquarters personnel ceiling reductions for OHR, exclusive of D/UP, follows:

Base	30 June 1956	754
Reduction	July 1956	28
		<hr/> 696
Reduction	August 1957	7
		<hr/> 689
Reduction	October 1957	2
		<hr/> 687
Transfer	May 1958	2
		<hr/> 685
Reduction	September 1958	2
		<hr/> 683
Transfer, pending - October 1958		1
		<hr/> 682
Total Reduction		72

4. It is recognized that the consequences of adjustment to a reduced ceiling can be most easily and effectively described by identifying specific, identifiable segments of activity that could no longer be undertaken in case of reduction, on the assumption that such identified segments would be the least essential of the responsibilities of the Office. Although in some instances this approach can be used by OHR, there are two reasons why it is difficult to employ this method, particularly in the Economic Research Area.

a. Because of the nature of a structure of an economy, study of its strengths and weaknesses and growth characteristics does not permit the complete exclusion of analysis of any significant sector of the economy. (This is particularly true in regard to the Office commitments to the NIS Program.)

b. Minimum capabilities must be retained to respond to the unknown future requests from top echelons of the Government.

#### Additional Responsibilities Accepted by OHR

1. At the same time that the Office has been experiencing personnel ceiling reductions, it has accepted a large number of additional

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responsibilities, some of which have been specifically requested and others of which have been unavoidable in the context of progress.

2. Some of the additional activities described below may have had their beginnings prior to the indicated periods, but in all instances blossomed into recognized responsibilities of an essential nature at the times indicated.

**Fiscal Year 1957**

a. Prompted by the increasing demand for intelligence on the aggressive Sino-Soviet Bloc campaign of economic penetration and the specific request of the Chairman of the President's Council on Foreign Economic Policy for information on this subject, this Office assigned a total of 13 analysts to follow these developments. This included a full-time unit of 9 persons, plus the equivalent of 4 man-years of support from other components.

b. The growing threat posed by Soviet accomplishments in the field of guided missiles led us to establish a small 7-man component to follow the economic aspects of this development. This was augmented by support from other components equivalent to approximately 2 analysts.

c. The economic aspects of Soviet atomic energy developments were assigned to OER as a formal responsibility, and 4 analysts were initially assigned full time to this research.

d. Requirements for geographic intelligence support in the fields of guided missiles and atomic energy necessitated the assignment of substantial additional man-hours to these subjects. New demands were also made on geographic intelligence in support of the unconventional warfare program.

e. Analysis of military cost and expenditures of the Soviet military programs became of increasing importance to National Intelligence Estimates and 10 analysts were assigned to this responsibility; in addition, support from other components was equivalent to about 5 analysts. While exploratory work took place prior to 1 July 1956, the major effort using this technique was developed after that date.

f. Economic intelligence support to the Executive Office of the President has expanded sharply since July 1956. Contributions to the Council on Foreign Economic Policy, the President's Committee on World Economic Practices, the Operations Coordinating Board, as well as a continuing series of spot requests, absorb the efforts of approximately 4-5 man-years.

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g. Support to the rapidly expanding East-West exchange program similarly grew significantly during this period and required OER support not only for written requirements and briefings but for personnel to accompany visiting delegations.

h. Just prior to this period, a program was initiated requiring the equivalent of 3 additional persons to provide cartographic support to NIS Chapters I (Summary Map Program). In addition, 1 to 2 cartographic personnel were required in support of a new activity of the unconventional warfare program. In this same period, cartographic support for [REDACTED] was initiated, requiring the equivalent of 1/2 person per year.

i. Partly as a result of the newly established geographic attache posts in New Delhi and Buenos Aires, there was a marked increase in the staff support imposed on the Map Library Division.

j. As a result of new or expanded collection activities -- the US-USSR Exchange Program, the NCE-NCAFE collection program, and [REDACTED] -- a substantial additional burden was imposed on the components responsible for preparation of written requirements and oral briefings.

k. Geographic intelligence support to ID/P, OSI, and the OCB Working Group on Antarctica, as well as to the Department of State, developed rapidly in this period, with respect to Antarctica.

l. The marked increase in administrative functions to be performed substantially increased the burden on administrative personnel. These new functions resulted from:

(1) new Agency programs (competitive promotion, vacancy announcement, new procedures for requisitioning supplies, assignment of financial accounting responsibility for UV funds to OER, etc.);

(2) refinement and improvement of administrative management activities (records management program, Agency subject-numeric filing system, monthly report of allocated funds, processing of overseas travel vouchers, etc.); and

(3) increased activities in certain substantive areas (staffing for overseas assignments, for SI security and clearance problems for internees, etc.).

m. In line with expanded support to current intelligence, there was a major augmentation of the Current Support Staff.

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Fiscal Year 1958

There was an augmentation of many of the activities which had been initiated in the previous period in addition to the acceptance of new responsibilities in Fiscal Year 1958.

3. The demands from a number of high level consumers for detailed intelligence on Bloc economic penetration activity increased to such an extent that 5 more persons were assigned to work on this subject.

4. As it became increasingly clear that OMR was charged with the primary responsibility within the intelligence community for economic intelligence on Soviet guided missile activity (including intelligence on production and deployment) and, as techniques for collecting and analyzing data in this field improved, a major augmentation of the guided missile unit was undertaken with the addition of 21 persons to the original staff of 6.

5. The OMR research program covering the economic aspects of Soviet atomic energy development was expanded to meet consumer needs. The equivalent of 7 research man-years was added to this effort through assistance from various components of the Economic Research Area of OMR.

6. Increased interest in the East-West Exchange Program, increasing the added responsibility of [REDACTED] increased the personnel support required.

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7. SA/P's recent priority requirement for city plans abate the time of 4-5 cartographers and 1-2 geographic analysts.

8. The Map Library has been required to provide additional staff support for the new Geographic Attache in Copenhagen. Moreover, one man has been assigned full time to assist in the new imagery program for supporting the collection of topographic maps on the Sino-Soviet Bloc. Photo maps and target chart collections increased 40 percent over the previous year.

9. Components responsible for collection guidance assumed significant additional workloads as a result of: (1) the US-USSR agreement on Exchanges; (2) the increased Soviet interest in international conferences; (3) the exploitation of Spanish resources; and (4) the SA/P requests for evaluation.

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1. The functions imposed on administrative personnel continued to increase. These included:

(1) new Agency programs (Career Development, Language Development, etc.); and

(2) refinement and improvement of administrative management activities (refinement of Agency cover processes; revision of building emergency and evacuation plans; increased emphasis on "selection-out" program, etc.)

3. It is obviously not possible to calculate precisely the number of man-years required to carry out the new responsibilities which ONS has assumed during the two time periods under consideration. However, I would venture the following rough estimate: 75 man-years in Fiscal Year 1957, rising to what now may represent an expenditure of about 130 to 140 man-years of effort.

4. There is every reason to expect that the Office will be asked to accept new responsibilities in the future or to expand current activities. For example, we already know that 11 to 13 ONS personnel will be wanted by the Executive Secretary of the [redacted] Committee on [redacted] (total time per professional analyst approximating 3-4 months, including training and other preparations).

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